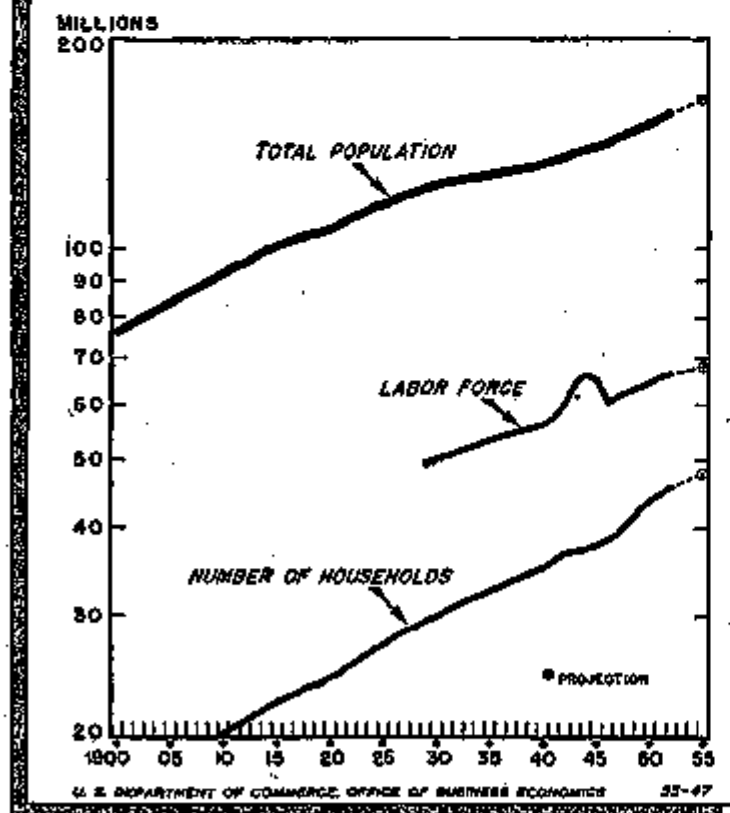


# Population Growth and Markets

IN the past 2 decades a striking change has occurred in the rate of population growth, primarily as a result of a sustained rise in births. A substantial rise in the birth rate during the war was followed by a further sharp rise after demobilization. In the succeeding years births have been at or near the high point attained soon after the war's end. The implications for business markets of a more rapidly growing population are pervasive, with the pattern of consumer requirements, investment plans, and the demands for public services affected in varying degree.

## Total population continues rapid growth

Labor force and households are now rising more slowly



In the 8-year period, 1945-52, population growth averaged 1.5 percent per year, double the rate in the thirties. Part of the unusual postwar rise was associated with the upsurge in

NOTE.—MR. ATKINSON IS A MEMBER OF THE CURRENT BUSINESS ANALYSIS DIVISION, OFFICE OF BUSINESS ECONOMICS.

marriages following the release of men from the armed forces, but population growth has not slackened in the past several years. Household formation increased at a more rapid rate than population as individuals, couples, and other groups established their own households. Thus, the average number of persons per household declined.

## Rapid population growth

The midthirties marked a distinct turning point in population growth. For a number of decades preceding 1935, the birth rate had been declining. During the preceding 2 decades, i. e., 1915-35, the decline was quite a steady one. The fall in the birth rate was at least as rapid in the prosperous years of the latter half of the twenties as in the preceding five years, or in the succeeding years of depression. A decline in immigration also contributed to the slowing down in population growth. In the first half of the decade of the twenties net immigration added an average of over 300,000 annually. In the next 5 years the average declined to little more than 200,000. In the early thirties emigration exceeded immigration.

In the midthirties the long slackening in the rate of population growth came to an end and was succeeded by a general expansion. Through there was some resumption of net immigration and a continued decline in the death rate, the major factor was the upturn in births.

The increase in the birth rate was moderate in the late thirties and interrupted only in 1939. During the latter part of the war period the expansion in the birth rate was again interrupted when large numbers of troops were stationed abroad, but births rose sharply following demobilization at the end of the war.

In the succeeding years the birth rate has remained only slightly below the immediate postwar peak. In the first few years after the war an abnormally high marriage rate was the principal influence leading to an expansion in births. By 1949, however, the marriage rate dropped back to an estimated normal, based upon age distribution of the population, but there has been little decline in total births.

## Declining growth in households

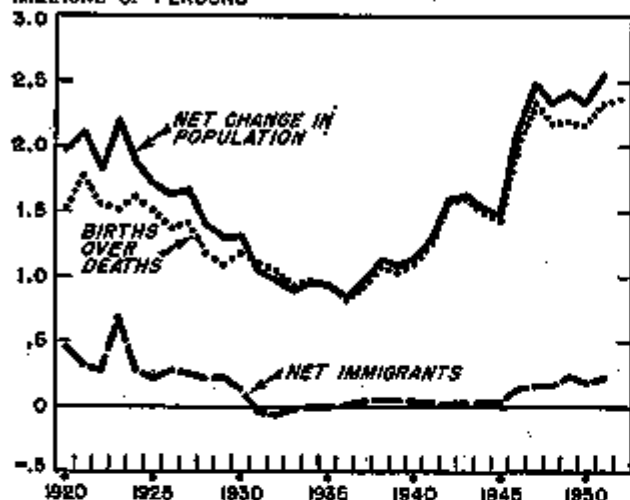
The number of marriages has slackened considerably in the past few years from the high rate in the early postwar period. During the war years the marriage rate was appreciably higher than before the war although it tapered off in the latter part of the war. After the war the number of marriages jumped to a peak of 2,300,000 in 1946. Following this, marriages fell steadily through 1949, reaching 1,600,000 in that year, and then stabilized in the three most recent years.

The marriage rate is now about the same as in 1939, and the age distribution for the present decade suggests little pickup is to be expected before about 1960. The several factors bringing about the change in the rate of family formation from the forties to the fifties will be examined in

## Population Growth in the United States

Population growth declined in the twenties and early thirties — has remained high since the war

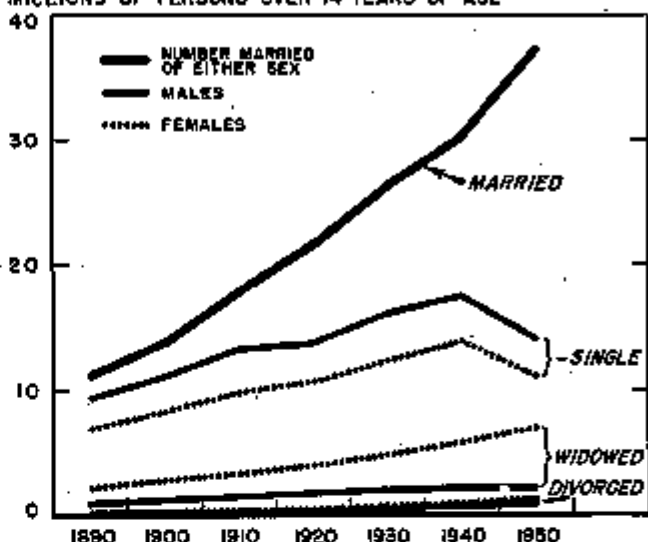
MILLIONS OF PERSONS



U. S. DEPARTMENT OF COMMERCE, OFFICE OF BUSINESS ECONOMICS 53-45

In the past decade, there has been a substantial rise in the number of married people, and a decline in the single population

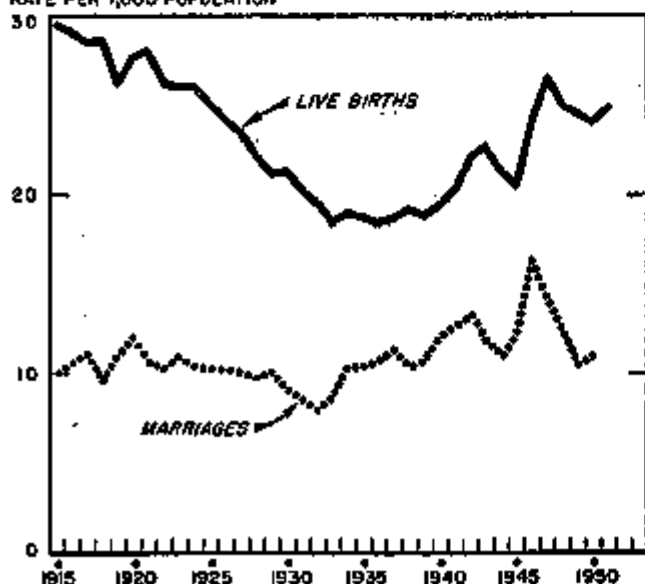
MILLIONS OF PERSONS OVER 14 YEARS OF AGE



U. S. DEPARTMENT OF COMMERCE, OFFICE OF BUSINESS ECONOMICS 53-49

In recent years, the marriage rate has been about the same as before the war, but births have remained near the post-war high

RATE PER 1,000 POPULATION

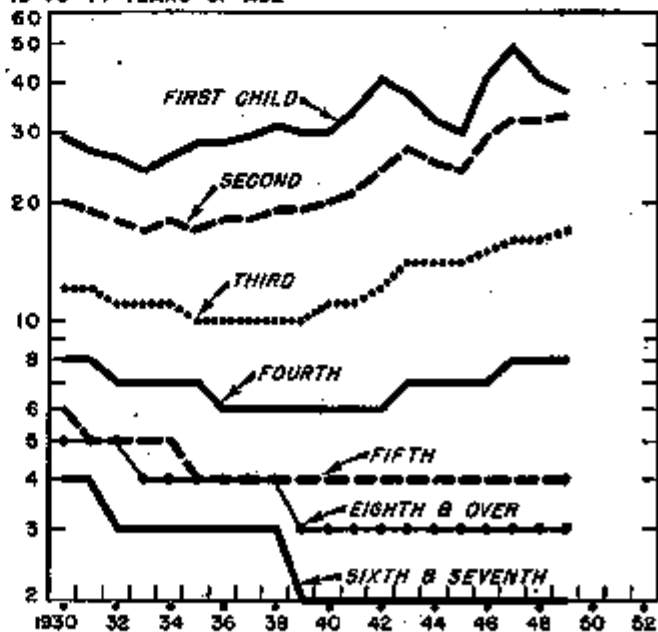


U. S. DEPARTMENT OF COMMERCE, OFFICE OF BUSINESS ECONOMICS 53-51

## Birth Rates by Order of Birth

First through fourth births have risen substantially since prewar

RATE PER 1,000 NATIVE WHITE FEMALE 15 TO 44 YEARS OF AGE



U. S. DEPARTMENT OF COMMERCE, OFFICE OF BUSINESS ECONOMICS 53-48

the broader context of changes in the total number of households, since the same basic factors, as well as some additional influences, have affected the number of households.

Households increased 25 percent during the decade 1940-50, as compared with a rise of 17 percent in the preceding 10 years. During the war years the increase in households was somewhat slower than in the prewar period so that the acceleration in growth was all in the period after the end of the war. In the five years between 1945 and 1950 the number of households increased somewhat more than in the 10-year period 1930-40.

Though the war influence caused the actual growth to be concentrated in the last half of the decade, it was a combination of favorable basic influences in the decade as a whole which led to a more rapid growth than in the preceding decade of the thirties, namely:

Somewhat larger classes of females reached the normal marriage age.

The marriage age declined slightly.

There was a substantial increase in the proportion of the adult population married.

The high income prevailing throughout the period and the availability of housing after the war led to "undoubling" of families and sub-families, and to the maintenance of separate households by older couples and especially by widows.

The increase in the number of households during the forties was associated with a reduction from 3.7 to 3.4 in the number of persons per household despite a sustained rise in the birth rate. During the same period the proportion of children under 10 to total population rose from 16 percent to more than 19 percent, more than offsetting the decline in the number of children over 10.

Now that the special postwar influences have run their course, family formation in the fifties will be more directly related to the shifting pattern of the age distribution of the population. For the first half of the decade the number of females reaching the average age for first marriage (20 years) is the lowest for any 5-year period since the twenties, declining 14 percent from the record number in the period 1940-45. About half of this decline is made up in the latter half of this decade, when the number in the marriageable-age classes will average nearly as large as in most other recent periods except 1940-45. After 1960 such classes will be substantially higher than in any preceding period, rising 30 percent above the current classes reaching marriageable ages.

Among the other factors affecting the trend in households, perhaps the most important is the increase in the proportion of the adult population getting married. Sixty percent of the females over 14 years of age in 1940 were married, but by 1952 the proportion had risen to 67 percent, with an absolute decline of nearly 3 million in the number of single females in the same bracket during this period. (See accompanying chart.)

Throughout the postwar years to date the proportion of all females married has continued to rise despite the fact that there has been no significant decline in the average age at marriage since the war. The decline in the marriage age of females since 1940 accounts for about one-third of the increase in the proportion married over this period. The improvement in economic conditions since 1940 has lowered economic barriers to marriage, but it may be noted that in past periods of extended prosperity no similar increase in the proportion married took place. As shown in the accompanying chart the rise in the proportion of the population which is married and the decline in the unmarried appears to be a distinct break with long-term trends.

Finally, more aged couples, widowed and single people are now maintaining separate households, partly because of rising real incomes, and partly because of the rising proportion of aged and widowed in the population.

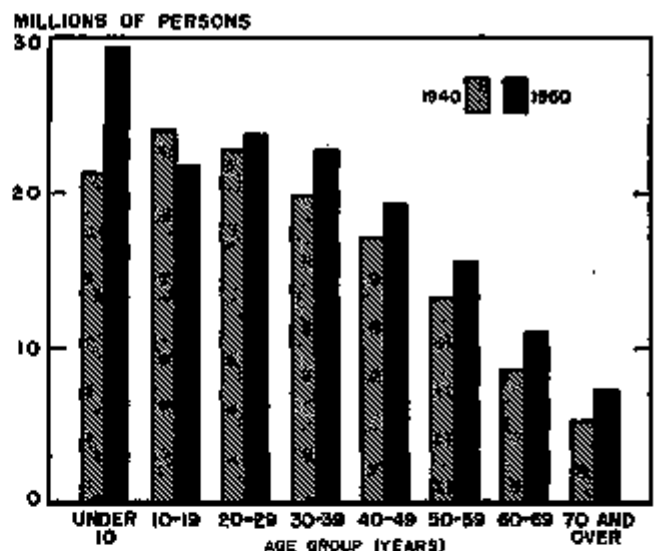
The net effect of the several influences on growth in households has been estimated by the Census Bureau, in its medium estimate, to bring annual increases between 1953 and 1955 of 700,000 and of 825,000 annually in the 1955-60 period, although it should be pointed out that the range between its high and low estimates is substantial. The medium estimates indicate a large drop from the 1½ million annual average in the years following the war, and a substantial decline from the latest annual increase of 900,000. The latter half of the fifties will be somewhat below the decade of the thirties and substantially below the twenties. However, the rate projected would exceed 1 percent per year, and remain above the projected rate of gain for total population.

Nevertheless, the growth in households during the decade of the fifties will be a real "trough" in the sense that it was preceded by an abnormally rapid growth in the forties and is expected to be followed by a rapid increase after 1960, as the wartime babies reach marriageable age.

## Age Distribution, United States Population, 1940 and 1950

More children under ten and adults over twenty

Fewer young people ten to twenty



U. S. DEPARTMENT OF COMMERCE, OFFICE OF BUSINESS ECONOMICS

53-20

## Market influences

The acceleration in population growth and the reversal in the trend of the birth rate have had an important influence on long-range business planning. They are also influencing the pattern of consumer demand for particular products.

Thus far, the most striking population change has been in the number of small children, and the corresponding increase in requirements, ranging from toys to specialized baby services, for meeting the needs of this youngest age group. As the classes born in the postwar period grow older, further changes may be expected in the consumer spending pattern.

Family composition also influences housing requirements, but in this market the more important aspect of population

change appears to be the rate of household formation. The relation of changes in the number of households to the volume of residential construction has been analyzed at length in earlier issues of the SURVEY.

Table 1.—Total Population, Labor Force and Households, United States  
(Thousands)

Year	Total population <sup>1</sup>	Labor force <sup>2</sup>	Households
1900	76,001		15,404 (June).
1910	92,407		20,256 (April).
1920	106,468		21,383 (January).
1930	123,188	20,890	20,905 (April).
1940	132,122	26,030	24,949 (April).
1951	133,982	37,390	26,880 (July).
1952	134,958	38,220	28,480 (July).
1953	135,729	39,410	30,875 (July).
1954	136,397	39,890	32,100 (July).
1955	136,828	40,140	32,500 (July).
1956	137,399	40,850	33,185 (June).
1957	138,126	41,085	33,181 (April).
1958	138,831	41,743	33,720 (April).
1959	139,188	42,577	34,107 (April).
1960	141,677	44,389	35,488 (March).
1961	141,300	45,833	36,564 (April).
1962	142,061		37,804 (April).
1963			
1964			
1965	143,180	47,950	37,701 (July).

<sup>1</sup> Population and Labor Force include Armed Forces.

<sup>2</sup> Projected for 1955 by the Bureau of the Census.

Source: U. S. Department of Commerce, Bureau of the Census.

In addition to the influence of family size and composition upon the amount and pattern of consumer expenditures these population patterns greatly affect requirements for government services. For example, between 1930 and 1940 there was a slight decline in total school attendance in the United States, and a drop of 1,500,000 in the number of students in the ages from 6 to 10. Between 1940 and 1950 school attendance increased, especially in this same age range, where the rise amounted to 1.8 million students. A further large rise in school facilities is required during the current period as the children from the record birth classes beginning in 1947 are now reaching school age.

Finally, the general acceleration in population growth during the war and postwar years has been accompanied by substantial shifts in population. The most important of these is the shift from the heart of the cities to the peripheral areas. A second movement is that taking place toward the far west and toward Florida. Though a large part of such develop-

Table 2.—Age and Sex Distribution, U. S. Population, 1950 and 1940  
(Thousands)

	1950			1940		
	Total	Male	Female	Total	Male	Female
All ages	160,697	74,833	75,864	131,970	66,187	65,773
0-4	16,168	8,236	7,932	10,578	5,373	5,205
5-9	18,200	9,715	8,485	12,575	6,416	6,159
10-14	11,119	5,800	5,319	11,609	6,029	5,580
15-19	10,617	5,311	5,306	12,389	6,183	6,206
20-24	11,482	5,908	5,574	11,622	5,713	5,909
25-29	12,242	6,073	6,169	11,122	5,481	5,641
30-34	11,617	5,628	5,989	10,290	5,066	5,224
35-39	11,246	5,513	5,733	9,575	4,788	4,787
40-44	10,204	5,070	5,134	8,841	4,428	4,413
45-49	9,670	4,836	4,834	8,273	4,213	4,060
50-54	8,372	4,129	4,243	7,200	3,709	3,491
55-59	7,235	3,580	3,655	6,000	3,015	2,985
60-64	6,059	3,038	3,021	4,780	2,422	2,358
65-69	5,008	2,425	2,583	3,765	1,878	1,887
70-74	3,412	1,629	1,783	2,581	1,273	1,308
75 and over	3,865	1,745	2,120	2,074	1,262	1,422

Source: U. S. Department of Commerce, Bureau of the Census.

ment is merely a redirection of growth, there is some resulting net increase in community facilities investment.

Census Bureau projections—based upon medium to high fertility—indicate only a moderate decline in the next several years in the present rapid rate of population growth. In the case of family formation and households some further decline is projected and here the specific impact upon the demand for housing, home furnishings, and other products will be conditioned by the trend of income and its interacting influence upon population growth.

Table 3.—Marriage and Birth Rates, United States

Years	Actual birth rate per 1,000 population	Marriage rate per 1,000 population
1910-20	28.0	10.9
1921-25	26.3	10.6
1926-30	22.5	9.9
1931-35	19.2	9.1
1936-40	18.9	11.9
1941	20.3	12.7
1942	22.2	12.2
1943	22.7	11.8
1944	21.2	11.6
1945	20.4	12.2
1946	21.1	12.4
1947	20.5	12.9
1948	21.9	12.4
1949	20.5	12.6
1950	20.9	11.9
1951	24.3	

Note.—Birth rates corrected for underregistration.

Source: Federal Security Agency.

Table 4.—Marital Status, Civilian Population, 14 Years and Over  
(Thousands)

	Civilian population 14 years and over <sup>1</sup>	Single	Married	Widowed	Divorced
1940 <sup>1</sup>					
Male	21,801	9,270	11,206	815	49
Female	20,288	9,928	11,125	2,156	72
1950 <sup>1</sup>					
Male	26,414	11,956	13,040	1,178	94
Female	25,024	8,358	13,514	2,719	115
1951 <sup>1</sup>					
Male	23,282	13,488	10,093	1,471	186
Female	20,860	9,842	10,689	3,178	185
1952 <sup>1</sup>					
Male	27,084	13,098	11,862	1,788	265
Female	26,180	10,624	11,324	3,815	373
1953 <sup>1</sup>					
Male	45,038	16,150	26,808	2,078	480
Female	44,012	12,478	26,178	4,794	573
1954 <sup>1</sup>					
Male	60,654	17,493	30,192	2,144	624
Female	60,619	13,438	30,060	4,700	823
1955 <sup>1</sup>					
Male	62,358	14,700	34,078	2,134	846
Female	64,896	12,078	35,212	6,376	1,140
1956 <sup>1</sup>					
Male	63,227	14,734	35,411	2,045	1,027
Female	65,384	11,629	35,783	6,725	1,233
1957 <sup>1</sup>					
Male	63,448	14,933	35,474	2,181	845
Female	66,901	11,174	37,013	6,692	1,353
1958 <sup>1</sup>					
Male	64,387	14,212	37,028	2,179	878
Female	65,535	11,125	37,461	6,535	1,229
1959 <sup>1</sup>					
Male	63,420	12,984	37,354	2,210	888
Female	67,304	10,946	38,124	7,084	1,288
1960 <sup>1</sup>					
Male	68,684	12,848	37,870	2,103	784
Female	68,034	11,038	38,078	6,972	1,324

Note.—1952 excludes Armed Forces personnel.

<sup>1</sup> As of June.

<sup>2</sup> As of April.

<sup>3</sup> As of January.

<sup>4</sup> As of March.

Source: U. S. Department of Commerce, Bureau of the Census.